Calendar No. 751

106TH CONGRESS 2D SESSION

S. 1612

[Report No. 106-373]

To direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation and reclamation districts in the State of Nebraska.

IN THE SENATE OF THE UNITED STATES

September 22, 1999

Mr. Kerrey (for himself and Mr. Hagel) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

August 25, 2000

Reported under authority of the order of the Senate of July 26, 2000, by Mr. Murkowski, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation and reclamation districts in the State of Nebraska.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Missouri River Basin,
3	Middle Loup Division Facilities Conveyance Act''.
4	SEC. 2. DEFINITIONS.
5	In this Act:
6	(1) COMMISSIONER.—The term "Commis-
7	sioner" means the Commissioner of Reclamation.
8	(2) DISTRICT.—The term "District" means—
9	(A) the Farwell Irrigation District, a polit-
10	ical subdivision of the State of Nebraska;
11	(B) the Sargent Irrigation District, a polit-
12	ical subdivision of the State of Nebraska; and
13	(C) the Loup Basin Reclamation District,
14	a political subdivision of the State of Nebraska.
15	(3) DISTRICT TRUST.—The term "District
16	Trust" means the Nebraska-Middle Loup River
17	Community Environmental Trust established under
18	section $5(a)(2)(B)(v)$.
19	(4) Game and parks commission trust.—
20	The term "Game and Parks Commission Trust"
21	means the Nebraska-Middle Loup River Game and
22	Parks Commission Trust established under section
23	5(a)(2)(B)(vi).
24	(5) Project.—The term "Project" means
25	Sherman Reservoir, Milburn Diversion Dam, Area-
26	dia Diversion Dam, related canals and other related

1	lands, water rights, acquired land, distribution and
2	diversion facilities, contracts, personal property, and
3	other associated interests owned by the United
4	States and authorized under the Act of June 17,
5	1902 (32 Stat. 388, chapter 1093), the Act of De-
6	eember 22, 1944 (commonly known as the "Flood
7	Control Act of 1944") (58 Stat. 887, chapter 665),
8	and the Act of August 3, 1956 (70 Stat. 975, chap-
9	ter 917).
10	(6) REPAYMENT AND WATER SERVICE CON-
11	TRACTS.—The term "Repayment and Water Service
12	Contracts" means all repayment and water service
13	contracts between the Commissioner and the District
14	relating to the Project.
15	(7) Secretary.—The term "Secretary" means
16	the Secretary of the Interior.
17	(8) Trust.—The term "Trust" means—
18	(A) the District Trust; and
19	(B) the Game and Parks Commission
20	Trust.
21	SEC. 3. CONVEYANCE OF THE PROJECT.
22	(a) Conveyance.—
23	(1) In General.—The Secretary shall convey
24	to the Districts, by quitelaim deed, assignment, or
25	patent, the interest of the United States in the

1	Project,	in	consideration	of	payment	to	the
2	Secretary						

- (A) by the Districts, of an amount not to exceed \$3,000,000, determined in accordance with the Bureau of Reclamation document entitled "Framework for Title Transfer" and the memorandum of agreement between the Commissioner and the Districts under section 5; and
- (B) by the Western Area Power Administration, of \$2,000,000.
- (2) TIMING.—The conveyance under paragraph (1) shall be made concurrently with the making of the payment under paragraph (1)(A), but the payment under paragraph (1)(B) shall be made from capacity and energy charges at Pick-Sloan Missouri Basin Program firm power rates received in fiscal year 1999 or any subsequent fiscal year in which the amount of power sale revenue received exceeds the amount of interest and operation and maintenance obligations of the Western Area Power Administration by at least \$2,000,000, to the extent of the excess.
- (3) Satisfaction of obligations against
 THE PROJECT.—The payment under paragraph

1	(1)(A) shall constitute full and complete satisfaction
2	of all obligations against the Project, the Districts,
3	and the Western Area Power Administration existing
4	before the date of the conveyance or thereafter relat-
5	ing to the Project, including—
6	(A) future obligations for additional drain-
7	age under section $5(a)(2)(iv)$;
8	(B) obligations under any contracts en-
9	tered into between the United States, the Dis-
10	tricts, and the Western Area Power Administra-
11	tion or its predecessors; and
12	(C) any obligation that may have been re-
13	quired by the Act of December 22, 1944 (58
14	Stat. 887, chapter 665) or other related Fed-
15	eral law.
16	(4) Satisfaction of obligations for irri-
17	GATION BENEFITS.—The conveyance of the Project
18	and the payment of the consideration under para-
19	graph (1) shall constitute full satisfaction of any and
20	all obligations of the Districts or of the Pick-Sloan
21	Missouri Basin Program firm power users or the
22	Western Area Power Administration for irrigation
23	benefits of the Project or for any other benefits con-
24	veyed to the Districts.
25	(b) Contaminated Property.—

- 1 (1) REMEDIAL ACTION.—The Secretary shall
 2 convey the Project without regard to whether all
 3 necessary remedial action required under section
 4 120(h)(3) of the Comprehensive Environmental Re5 sponse, Compensation, and Liability Act of 1980 (42
 6 U.S.C. 9620(h)(3)) on any part of the Project has
 7 been completed.
- 8 (2) CONTINUING OBLIGATION TO COMPLETE
 9 REMEDIAL ACTION.—Notwithstanding any law to the
 10 contrary, the United States shall remain during and
 11 subsequent to the conveyance obligated, at the ex12 pense of the United States, to complete any required
 13 remedial action.
- 14 (e) EXTINGUISHMENT OF OBLIGATIONS BETWEEN
 15 THE COMMISSIONER AND THE DISTRICTS.—Effective on
 16 the date of the conveyance, all obligations between the
 17 Commissioner and the Districts relating to the Project
 18 and the Repayment and Water Service Contracts are ex19 tinguished.
- 20 (d) PAYMENT OF NEPA STUDY COSTS.—The Com21 missioner and the Districts shall each pay 50 percent of
 22 the costs associated with compliance with the National
 23 Environmental Policy Act (42 U.S.C. 4321 et seq.).

1	(e) Crediting of Certain Items Toward Pay-
2	MENT UNDER SUBSECTION (a)(1)(A).—There shall be
3	eredited toward the payment under subsection (a)(1)(A)—
4	(1) the amount of any payment made by the
5	Districts before the date of the conveyance for com-
6	pliance with the National Environmental Policy Act
7	(42 U.S.C. 4321 et seq.) in excess of 50 percent of
8	the cost of compliance;
9	(2) the amount of any payments made by the
10	Districts under contracts with the Commissioner be-
11	tween January 1, 1999, and the date of the convey-
12	ance;
13	(3) the present value of future operation and
14	maintenance costs required for historic preservation
15	on Project land at Sherman Reservoir; and
16	(4) any other amount specified in the memo-
17	randum of agreement between the Commissioner
18	and the Districts under section 5.
19	(f) Additional Drainage.—
20	(1) In General. Of the \$2,000,000 paid by
21	the Western Area Power Administration under sub-
22	section (a), \$500,000—
23	(A) shall be deposited in the fund referred
24	to in section 5(a)(3); and

1	(B) shall be available for additional drain-
2	age projects.
3	(2) Nonreimbursability.—The amount de-
4	posited under paragraph (1) shall be nonreimburs-
5	able and nonreturnable.
6	(3) Authorization of appropriations.—
7	There is authorized to be appropriated not more
8	than \$500,000 for the additional drainage projects.
9	SEC. 4. LIABILITY.
10	Effective on the date of conveyance of the Project
11	the United States shall not be liable for claims, costs
12	damages, or judgments of any kind arising out of any act
13	omission, or occurrence related to the Project except for
14	such claims, costs, or damages arising from acts of neg-
15	ligence committed by the United States or by employees,
16	agents, or contractors of the United States before the date
17	of conveyance for which the United States is liable under
18	chapter 171 of title 28, United States Code (commonly
19	known as the "Federal Tort Claims Act").
20	SEC. 5. COMPLETION OF CONVEYANCE.
21	(a) In General.—The Secretary shall not make the
22	conveyance under section 3 until the following events have
23	been completed:
24	(1) Compliance with the National Environ-
25	mental Policy Act of 1969 (42 U.S.C. 4321 et seg.).

1	(2) Execution of—
2	(A) memoranda of agreement between the
3	Commissioner and the Districts describing the
4	purchase price and other terms and conditions
5	of the conveyance consistent with this Act; and
6	(B) an agreement by the Districts to man-
7	age the Project in a manner substantially simi-
8	lar to the manner in which the Project was
9	managed before the conveyance and in accord-
10	ance with applicable Federal and State laws,
11	including—
12	(i) preserving on a permanent basis
13	the right of the State of Nebraska Games
14	and Parks Commission to develop, provide,
15	and protect the public interest in Project
16	fish, wildlife, and recreation facilities re-
17	lated to the Projects;
18	(ii) providing for protection of cultural
19	resources at the Project after the convey-
20	ance consistent with applicable law that
21	authorizes the Districts or others with re-
22	sponsibility to protect significant historic
23	features in situ or otherwise;
24	(iii) providing that the Districts shall
25	annually make payments to local govern-

1	ments in the amounts in which the Com-
2	missioner made payment to the local gov-
3	ernments under chapter 69 of title 31
4	United states Code (commonly known as
5	"payments in lieu of taxes") for fiscal year
6	1999;
7	(iv) providing for—
8	(I) a plan for additional drainage
9	work in the Middle Loup Valley as
10	specified in the memoranda of agree-
11	ment under paragraph (1); and
12	(II) the funding of the additional
13	drainage work;
14	(v) providing for the establishment by
15	the Districts of an organization to be
16	known as the "Nebraska-Middle Loup
17	River Community Environmental Trust
18	and to be organized under State law to
19	preserve, protect, enhance, and manage the
20	Project by—
21	(I) stabilizing surface and ground
22	water supplies;
23	(II) conserving water and land
24	resources;

1	(III) carrying out essential drain-
2	age projects using funds deposited
3	under section 3(f); and
4	(IV) expanding knowledge of
5	water and land resources for enhanc-
6	ing Project operations and improving
7	the service of Project purposes; and
8	(vi) providing for the establishment by
9	the Nebraska Game and Parks Commis-
10	sion of an organization to be known as the
11	"Nebraska-Middle Loup River Game and
12	Parks Trust" and to be organized under
13	State law to—
14	(I) improve and enhance fisheries
15	and recreational opportunities; and
16	(H) expand knowledge of water
17	and land resources for enhancing
18	Project operations and improving the
19	service of Project purposes.
20	(3) Deposits in the district trust.—On
21	receipt of the payments under section 3(a)(1), the
22	Secretary shall deposit in the District trust—
23	(A) \$2,000,000 of the amount received
24	under section $3(a)(1)$; and

1	(B) the entire amount received under sec-
2	$\frac{1}{3}$ tion $\frac{3}{3}$ (a)(2).
3	(4) No tax; no effect on rates.—No pay-
4	ment under this Act—
5	(A) shall be subject to Federal or State in-
6	come tax; or
7	(B) shall affect Pick-Sloan Missouri Basin
8	Program firm power rates in any way.
9	(5) Use of funds.—
10	(A) Funds deposited under section
11	3(F).—The Trusts shall by their charters pro-
12	hibit the use of any funds deposited under sec-
13	tion 3(f) for routine operation and maintenance
14	work by the Districts, the Game and Parks
15	Commission, or any of the participating agen-
16	eies of the Trusts.
17	(B) OTHER FUNDS.—Funds received by a
18	Trust from a District or any other source may
19	be used for any purpose.
20	(6) Assistance for drainage work.—The
21	Game and Parks Commission Trust shall provide for
22	direct priority assistance to the Districts for drain-
23	age work in the Middle Loup River Valley under
24	conditions requiring greater trust fund investments
25	than are available from the Trust

- 1 (b) REPORT.—If the conveyance under section 3 is
- 2 not substantially completed on or before December 31,
- 3 2000, the Secretary and the Districts shall promptly sub-
- 4 mit to the Committee on Resources of the House of Rep-
- 5 resentatives and the Committee on Energy and Natural
- 6 Resources of the Senate a report on the status of the con-
- 7 veyance describing the matters remaining to be resolved
- 8 before completion of the conveyance and stating the antici-
- 9 pated date for the completion of the conveyance.
- 10 (e) Future Benefits.—
- 11 (1) In GENERAL.—Effective on the date of the
- 12 conveyance under section 3, the Districts shall not
- be entitled to receive any further benefits under rec-
- 14 lamation law not otherwise available attributable to
- its status as a reclamation project under the Act of
- 16 June 17, 1902 (32 Stat. 388, chapter 1093), and
- 17 Acts supplemental to and amendatory of that Act
- 18 (43 U.S.C. 371 et seq.).
- 19 (2) No Flood control component.—After
- 20 the date of the conveyance under subsection 3, the
- 21 Project shall no longer have a flood control compo-
- 22 nent.
- 23 SECTION 1. SHORT TITLE.
- 24 This Act may be cited as the "Missouri River Basin,
- 25 Middle Loup Division Facilities Conveyance Act".

1 SEC. 2. DEFINITIONS.

2	In this Act:
3	(1) Commissioner.—The term "Commissioner"
4	means the Commissioner of Reclamation.
5	(2) District.—The term "District" means—
6	(A) the Farwell Irrigation District, a polit-
7	ical subdivision of the State of Nebraska;
8	(B) the Sargent Irrigation District, a polit-
9	ical subdivision of the State of Nebraska; and
10	(C) the Loup Basin Reclamation District, a
11	political subdivision of the State of Nebraska.
12	(3) Project.—The term "Project" means Sher-
13	man Reservoir, Milburn Diversion Dam, Arcadia Di-
14	version Dam, related canals and other related lands,
15	water rights, acquired land, distribution and diver-
16	sion facilities, contracts, personal property, and other
17	associated interests owned by the United States and
18	authorized under the Act of June 17, 1902 (32 Stat.
19	388, chapter 1093), the Act of December 22, 1944
20	(commonly known as the "Flood Control Act of
21	1944") (58 Stat. 887, chapter 665), and the Act of
22	August 3, 1956 (70 Stat. 975, chapter 917).
23	(4) Repayment and water service con-
24	TRACTS.—The term "Repayment and Water Service
25	Contracts" means all repayment and water service

1	contracts between the Commissioner and the District
2	relating to the Project.
3	(5) Secretary.—The term "Secretary" means
4	the Secretary of the Interior.
5	SEC. 3. CONVEYANCE OF THE PROJECT.
6	(a) Conveyance.—
7	(1) In general.—As soon as practicable after
8	the date of enactment of this Act and in accordance
9	with all applicable laws, the Secretary shall convey to
10	the Districts, by quitclaim deed, assignment, or pat-
11	ent, the interest of the United States in the Project,
12	in consideration of payment to the Secretary—
13	(A) by the Districts of \$2,847,360, which—
14	(i) has been determined in accordance
15	with the Bureau of Reclamation document
16	entitled "Framework for Title Transfer"
17	and the memorandum of understanding be-
18	tween the Commissioner and the Districts
19	under section 5; and
20	(ii) includes all credits and adjust-
21	ments provided for in that document and
22	memorandum of understanding; and
23	(B) by the Western Area Power Administra-
24	tion, of \$2,600,000.

- (2) CANCELLATION OF OBLIGATION.—The obligation to make payments due and owing from the Districts to the United States under the repayment and water service contracts are canceled for the year 2000 and thereafter.
 - (3) TIMING.—The conveyance under paragraph (1) shall be made concurrently with the making of the payment under paragraph (1)(A), but the payment under paragraph (1)(B) shall be made from capacity and energy charges at Pick-Sloan Missouri Basin Program firm power rates received in fiscal year 2000 or the first subsequent fiscal year in which the amount of power sale revenue received exceeds the amount of interest and operation and maintenance obligations of the Western Area Power Administration by at least \$2,600,000, to the extent of the excess.
 - (4) Satisfaction of obligations against the Project, the United States, and the Districts existing before the date of the conveyance or thereafter relating to the Project, including—
- 24 (A) future obligations for additional drain-25 age required in the project;

1	(B) obligations under any contracts entered
2	into between the United States, the Districts, and
3	the Western Area Power Administration or its
4	predecessors; and
5	(C) any obligation that may have been re-
6	quired by the Act of December 22, 1944 (58 Stat.
7	887, chapter 665) or other related Federal law.
8	(5) Satisfaction of obligations for irriga-
9	TION BENEFITS.—The conveyance of the Project and
10	the payment of the consideration under paragraph (1)
11	shall constitute full satisfaction of any and all obliga-
12	tions of the Districts or of the Pick-Sloan Missouri
13	Basin Program firm power users of the Western Area
14	Power Administration for irrigation benefits of the
15	Project or for any other benefits conveyed to the Dis-
16	tricts.
17	(b) Contaminated Property.—The Secretary shall
18	convey the Project without regard to whether all necessary
19	remedial action required under section 120(h)(3) of the
20	Comprehensive Environmental Response, Compensation,
21	and Liability Act of 1980 (42 U.S.C. 9620(h)(3)) on any
22	part of the Project has been completed.
23	(c) Extinguishment of Obligations Between the
24	Commissioner and the Districts.—Effective on the date
25	of the conveyance, all obligations not canceled under the

- 1 subsection (a)(2) between the Secretary and the Districts
- 2 relating to the Project and the Repayment and Water Serv-
- 3 ice Contracts are extinguished.

4 SEC. 4. LIABILITY.

- 5 Effective on the date of conveyance of the Project, the
- 6 United States shall not be liable for claims, costs, damages,
- 7 or judgments of any kind arising out of any act, omission,
- 8 or occurrence related to the Project except for such claims,
- 9 costs, or damages arising from acts of negligence committed
- 10 by the United States or by employees or agents of the United
- 11 States before the date of conveyance for which the United
- 12 States is liable under chapter 171 of title 28, United States
- 13 Code (commonly known as the "Federal Tort Claims Act").
- 14 SEC. 5. COMPLETION OF CONVEYANCE.
- 15 (a) In General.—The Secretary shall not make the
- 16 conveyance under section 3 until the following events have
- 17 been completed:
- 18 (1) Compliance with the National Environ-
- 19 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.).
- 20 (2) Execution of a memorandum of under-
- 21 standing between the Commissioner and the Districts
- describing the purchase price and other terms and
- 23 conditions of the conveyance consistent with this Act.
- 24 (b) Distriction Management of Project.—The
- 25 Districts shall manage the Project in a manner substan-

- 1 tially similar to the manner in which the Project was man-
- 2 aged before the conveyance and in accordance with applica-
- 3 ble Federal and State laws, including—

to the Projects; and

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- (1) entering into an agreement with Nebraska
 Games and Parks Commission that preserves on a
 permanent basis the right of the Commission to develop, provide, and protect the public interest in
 Project fish, wildlife, and recreation facilities related
- 10 (2) entering into an agreement with the Univer11 sity of Nebraska Lincoln-State Museum that provides
 12 for protection of cultural resources at the Project after
 13 the conveyance consistent with applicable law that
 14 authorizes the Districts or others with responsibility
 15 to protect significant historic features in situ or oth16 erwise; and
 - (3) providing that the Districts shall annually make payments to local governments in the amounts in which the Commissioner made payment to the local governments under chapter 69 of title 31, United states Code (commonly known as "payments in lieu of taxes") for fiscal year 1999;
- 23 (c) CREDITING TO RECLAMATION FUND.—All funds 24 paid to the Secretary under this Act shall be credited to 25 the Reclamation Fund in the Treasury of the United States

1	toward repayment of capital costs of the project in an
2	amount equal to the associated undiscounted obligation.
3	(d) No Effect on Rates.—No payment under this
4	Act shall affect Pick-Sloan Missouri Basin Program firm
5	power rates in any way.
6	(e) REPORT.—If the conveyance under section 3 is not
7	substantially completed on or before December 31, 2000, the
8	Secretary and the Districts shall promptly submit to the
9	Committee on Resources of the House of Representatives
10	and the Committee on Energy and Natural Resources of
11	the Senate a report on the status of the conveyance describ-
12	ing the matters remaining to be resolved before completion
13	of the conveyance and stating the anticipated date for the
14	completion of the conveyance.
15	(f) Future Benefits.—
16	(1) In general.—Effective on the date of the
17	conveyance under section 3, the Middle Loup Division
18	of the Missouri River Basin Project—
19	(A) shall not be treated as a Federal rec-
20	lamation project; and
21	(B) shall not be subject to the reclamation
22	laws or entitled to receive any reclamation bene-
23	fits under those laws.

1	(2) No flood control component.—After the
2	date of the conveyance under subsection 3, the Project
3	shall no longer have a flood control component.

Calendar No. 751

 $^{\tiny 106\text{TH CONGRESS}}_{\tiny 2D \text{ Session}} \text{ S. } 1612$

[Report No. 106-373]

A BILL

To direct the Secretary of the Interior to convey certain irrigation project property to certain irrigation and reclamation districts in the State of Nebraska.

> August 25, 2000 Reported with an amendment